



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution **Authorizing the City Manager** to Allocate **\$42,000** in Public **Benefit** Program **Funds** for the Lodi **CARE** Package Program and Execute a Contract With the Lodi Salvation Army to Administer This Program (EUD)

MEETING DATE: August 1, 2007

PREPARED BY Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to allocate **\$42,000** in Public Benefit Program funds for the Lodi CARE Package Program and execute a contract with the Lodi Salvation Army to administer this program.

BACKGROUND INFORMATION: Since late 2004, the City of Lodi has provided a special grant program designed to assist Lodi families in paying their monthly utility bill. To qualify for a grant, a customer must **earn less** than the published federal income guidelines. Specifically, the Lodi CARE Package Program will provide a relief payment of up to \$110.00* for eligible families/customers. Other program specifics include:

- A customer in need will be interviewed by staff of the Lodi Salvation Army at the Lockeford Street facility; **the family/customer** must meet eligibility requirements, as listed on 'Attachment A;'
- If **approved** for a relief payment, the Salvation Army will notify the **C i** of Lodi Finance Department of eligible customer name, and the exact amount of the relief payment;
- The Salvation Army will also notify the City of Lodi Electric Utility Department of approved customers; these customers will automatically be enrolled in the Lodi Energy Audit Program and receive a free in-home energy audit;
- Customers are eligible to receive a maximum grant amount of **\$110** every **six** months;
- A **set** of income **guidelines** has been developed for this program, and will **be** utilized as part of **the** assessment process conducted by the Salvation Army (please see 'Attachment B'); and
- In order to receive the maximum relief payment of \$110, a customer must have no past due amounts owed to the City of Lodi, and must **be** able to pay the remaining portion of their current **C i** of Lodi utility statement (the water and wastewater charges).

The following **two** **e n t i** are providing **the** funds available for the **relief** **payments**:

- City of Lodi Electric Utility - \$42,000 total; of this amount, up to \$34,000 is earmarked for relief payments to the customers in need. The **\$34,000** is **ONLY** for payment of the electric utility component of the customer's bill. \$7,500 is earmarked as the payment due to the Salvation Army for their assessment services, and **\$500** is earmarked for customer outreach and material preparation **costs**.
- **WM®** Waste Management - \$10,000 total; these funds will be designated solely for the purpose of paying the refuse component of a customer's bill (maximum payment is \$20 per customer; one such payment every six months).

APPROVED:

A handwritten signature in black ink, appearing to read "Blair King".

Blair King, City Manager

Since the program's inception, 669 Lodi customers have participated in the program and received a grant payment. Based upon funds earmarked for the 2007-2008 fiscal year program, up to 375 customers could receive a relief payment (Note: based upon historical data and customer participation, it is anticipated that up to 375 customers will receive assistance during the course of the 2007-2008 fiscal year program). The intent of the Lodi CARE Package Program is to assist those customers — currently living on wages 20 percent below the published federal income guidelines — in paying their monthly City of Lodi utility bill, particularly when the customer is facing a difficult period. The program is a "safety net" of sorts for customers experiencing a particularly difficult or unexpected financial hardship.

In order to adequately qualify customers for a relief payment, staff is recommending that the Lodi Salvation Army serve as the day-to-day administrator of the program. The Salvation Army will charge the City of Lodi a fee of \$20 per customer assessment (not to exceed \$7,500 during the 2007-2008 fiscal year). The Salvation Army has provided the assessment services since late 2004 for this program, as well as other contractual services with the City of Lodi. For these reasons, staff requests that the Lodi City Council dispense with the bid process, pursuant to Lodi Municipal Code 3.20.070.

Electric Utility staff respectfully recommends approval of this program for the fiscal year 2007-2008 as a qualifying expenditure of the City of Lodi Public Benefits Program.

This relief payment was derived by assessing the average bill of a utility customer currently receiving a rate discount as part of the Lodi SHARE Program (the SHARE rate discount provides eligible customers with a monthly 30% rate break on their City of Lodi electric bill). Two months were used as part of the assessment (July and November 2006). Of these two months, the average July utility bill for electric only was \$91, while the average November utility bill for electric only was \$47. Based upon this assessment, it was determined that the electric utility component of the relief payment be capped at \$90. Also during this aforementioned assessment process, it was determined that the average refuse component of a City of Lodi utility statement is \$21 (hence, a cap of \$20 is recommended as the refuse component of the relief payment).

FISCAL IMPACT: The City will expend up to \$42,000 in Public Benefit Program funds to provide and administer grants to customers in need.

FUNDING: 164606 — Public Benefits Program Fund (Category: Low-Income Customer Assistance)


Kirk Evans, Budget Manager


George F. Morrow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service & Programs

GFM/RL/lt

Attachments

RESOLUTION NO. 2007-154

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO ALLOCATE VARIOUS FUNDS FOR
THE LODI CARE PACKAGE PROGRAM, AND FURTHER
AUTHORIZING THE CITY MANAGER TO EXECUTE A
CONTRACT WITH THE SALVATION ARMY TO
ADMINISTER THIS PROGRAM

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to allocate Public Benefit Program funds for the Lodi CARE Package Program in the amount of \$42,000 as follows:

164606 – Public Benefits (Category: Low-Income Customer Assistance)

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute a contract with the Salvation Army to administer this program.

Dated: August 1, 2007

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I hereby certify that Resolution No. 2007-154 was passed and adopted by the Lodi City Council in a regular meeting held August 1, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce,
and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk